

# FISCAL NOTE

## SB 228 - HB 347

February 14, 2005

**SUMMARY OF BILL:** Amends the retirement law by deleting the requirement that a member must have been retired for at least one year from the Tennessee Consolidated Retirement System (TCRS) before returning to such full-time employment as a K-12 teacher.

### ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$5,187,000 Annual Amortized Cost  
\$84,000 Division of Retirement**

**Increase Local Govt. Expenditures\* - \$3,402,000 Annual Amortized Cost**

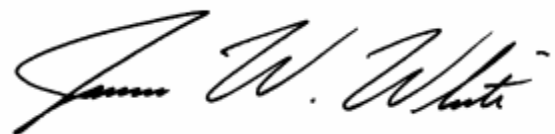
Assumptions:

- Total lump sum liability of \$86,700,000
- 20-year amortization of lump sum liability
- Funding ratio between state and local is 60% state and 40% local education agencies
- Administrative costs of \$84,000 for two positions and related costs in the Division of Retirement

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

### CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director